



## **BOARD MEETING MINUTES**

**Iowa Finance Authority  
2015 Grand Avenue  
Des Moines, Iowa  
May 1, 2013**

### **Board Members Present**

Darlys Baum, Chair	Shaner Magalhães
Carmela Brown, Treasurer	Michel Nelson
David Greenspon	Eric Peterson
Jeffrey Heil	Ruth Randleman
Joan Johnson	

### **Board Members Absent**

NONE

### **Staff Members Present**

David Jamison, Executive Director/Board Secretary	Beth Mahaffey, Business Development Director
Lori Beary, Community Development Director	Tim Morlan, Underwriter
Jess Flaherty, Executive Secretary	Wes Peterson, Director of Governmental Relations
Jerry Floyd, HOME Program Analyst	Mark Thompson, General Counsel
Cindy Harris, Chief Financial Officer	Rob Tietz, Finance & Funding Manager
Steve Harvey, Chief Operating Officer	Dave Vaske, Tax Credit Manager
Geri Huser, Title Guaranty Division Director	Nancy Wallis, Administrative Assistant/Recording Secretary
Ashley Jared, Director of Communications	
Carolann Jensen, Chief Administration Officer	
Michael Johnson, Software Development Specialist	

### **Others Present**

Jim Conlin - Conlin Properties	David Grossklaus – Dorsey & Whitney, LLP
David Erickson - Former IFA Board Member	James Smith – Dorsey & Whitney, LLP
Jake Friedrichsen – State Treasurer’s Office	

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### **Call to Order**

Chair Baum called to order the May 1, 2013, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:05 a.m. Roll call was taken and a quorum was established with the following Board members present: Baum, Brown, Greenspon, Heil, Johnson, Magalhães, Nelson, Peterson and Randleman.

## **Consent Agenda**

Chair Baum introduced the consent agenda and asked if anyone wanted to request that any items be removed. There being no objections, Ms. Randleman made a motion to approve the consent agenda, which included the following:

Approval of Minutes of the April 3, 2013, IFA Board Workshop  
Resolution ED 13-02, Bethany Manor Project  
Resolution WQ 13-07, SRF Planning & Design Loans  
Resolution WQ 13-08, SRF Construction Loans  
Resolution WQ 13-09, Non-Point Source Loan for INHF – DeWaard Tract, Hancock County  
Resolution WQ 13-10, Non-Point Source Loan for INHF – Mesenbrink Tract, Palo Alto County  
Resolution WQ 13-11, Non-Point Source Loan for INHF – Rollefson Tract, Winnebago County  
Resolution WQ 13-12, Non-Point Source Loan for INHF – McNutt Tract, Worth County  
Resolution WQ 13-13, Non-Point Source Loan for INHF – Brandrup Tract, Hamilton County  
Resolution WQ 13-14, Non-Point Source Loan for INHF – Sickelka Tract, O’Brien County  
Resolution WQ 13-15, Non-Point Source Loan for INHF – Winnebago Scout Reservation, Floyd County  
Resolution WQ 13-16, Non-Point Source Loan for INHF – Baker Property, Des Moines County.

On a second by Mr. Heil, the Board unanimously approved the consent agenda.

## **Administration**

### **Presentation to David Erickson**

Chair Baum announced that Mr. Erickson was unable to be present at the April meeting when the Board approved a resolution in his honor, but that he agreed to attend this meeting to be recognized for his service to the Iowa Finance Authority, the Board of Directors and to Iowa. She read the resolution recognizing him for his service to IFA, the Board of Directors and the citizens of Iowa during his time as a member and current Vice Chair of the IFA Board. Director Jamison displayed the plaque to be presented to him and thanked him for his service.

Mr. Erickson thanked Director Jamison, Ms. Huser and the IFA and Title Guaranty staff for all the support given to the Board throughout the time he served on the Board.

### **Executive Director’s Summary & Overview**

Director Jamison introduced Ms. Joan Johnson and Mr. Shaner Magalhães, who were recently appointed by Governor Branstad to serve a six-year term on the IFA Board of Directors.

Director Jamison then announced that the legislation transitioning the Iowa Agricultural Development Authority into the Iowa Finance Authority passed both the House and the Senate. He said the two agencies have held a preliminary planning meeting, and would begin to implement the transition in the near future.

Director Jamison and Chair Baum presented a certificate to Michael Johnson, one of IFA’s Software Development Specialists, recognizing him as the recipient of the quarterly IFA Award of Excellence, specifically because of his work with software development for the Title Guaranty Division. Director Jamison said Mr. Johnson was recognized at an all-staff meeting on April 25, 2013.

## **ACCOUNTING AND FINANCE**

### **Review of Financial Statement**

Mr. Harvey presented the March 2013 financial results, primarily using charts to show IFA's monthly financial performance based on the Financial Performance Targets as set by the FY14 budget. He said that as a housing agency, year-to-date net operating income of \$9,675,630 is favorable to budget by \$3,898,786.

The State Revolving Fund year-to-date net operating income of \$29,386,485 is \$84,416 unfavorable to budget.

**MOTION:** On a motion by Ms. Brown and a second by Mr. Greenspon, the Board unanimously accepted the March 2013 financial statement.

Mr. Harvey then distributed the semi-annual Report on Internal Controls to the Board members for their review.

### **Resolution FIN 13-08, Amending Previous Preservation Revolving Loan Fund Resolutions**

Mr. Morlan introduced the resolution by summarizing the history of the Preservation Revolving Loan Fund (PRLF) Program. He said that because new issues have surfaced with the PRLF Program, IFA staff members have decided that it is in IFA's best interest to not use that program on any project now or in the future. Mr. Morlan asked the Board to approve IFA to make direct loans to the projects with IFA equity to make it more feasible for IFA and the borrowing entities. He said the recommendation is for the Board to approve the resolution authorizing loans to Valley View Apartments in Columbus Junction, Boyer View Apartments in Logan, and Prairie Village of La Porte City, with the loan terms remaining in place as approved in the previous resolutions and as shown in Exhibit A of the resolution.

**MOTION:** Mr. Nelson made a motion to approve the resolution authorizing IFA to fund the projects as set forth on Exhibit A with IFA's equity in lieu of the PRLF. On a second by Mr. Heil, the Board unanimously approved Resolution FIN 13-08.

### **Resolution FIN 13-09, 2013 SRF Revenue Bonds – Authorization Proceedings**

Ms. Beary introduced the resolution by explaining that the consistent growth of the State Revolving Fund (SRF) Program required the issuance of bonds to leverage the funds available. She reported that the resolution authorizes the issuance of an amount not to exceed \$200 million to finance loans for water and wastewater projects as well as to provide the state match requirement for the 2013 capitalization grants.

Ms. Beary noted that the SRF is on target to close \$200 million in loans this fiscal year, with approximately \$17 million being disbursed monthly to existing loans. She explained that the bond issue is scheduled for a time of year when investors have cash available due to bond payments since most Iowa issuers make principal payments on June 1, meaning that investors will be looking for opportunities to reinvest their funds. Ms. Beary summarized the proposed structure of the new issue, noting that the plan is to price the issue near the end of May and close the deal after July 1, 2013. She also reported that the SRF bonds are rated AAA by all three rating agencies.

**MOTION:** Mr. Heil made a motion to approve the resolution authorizing the issuance and sale of IFA's State Revolving Fund Revenue Bonds, Series 2013, authorizing and approving the execution and delivery of related documents, authorizing the refunding of certain outstanding bonds, and delegating certain responsibilities to the Executive Director for approving the final terms of the Series 2013 bonds and the forms and content of the related financing documents. On a second by Mr. Peterson, the Board unanimously approved Resolution FIN 13-09.

### **Resolution FIN 13-10, 2013-2 Single-Family Revenue Bonds – Authorization Proceedings**

Ms. Harris introduced the resolution which would allow IFA to issue up to \$75 million of fixed-rate taxable or tax-exempt Single-Family Mortgage Revenue Bonds. She explained that the approval of the resolution would allow IFA to refund some previous bond series in order to provide debt service savings, depending on the market conditions at the time of bond pricing, and to fund current mortgage production.

**MOTION:** Mr. Greenspon made a motion to approve the resolution adopting and approving Series Resolutions relating to Single-Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program) and authorizing the issuance, sale and delivery of not to exceed \$75 million of IFA's Single-Family Mortgage Revenue Bonds pursuant to such Series Resolutions; authorizing the execution and delivery of one or more Purchase Contracts and a Continuing Disclosure Agreement; and delegating certain responsibilities to the Executive Director for finalizing certain matters, forms and contents of certain documents. On a second by Ms. Randleman, the Board unanimously approved Resolution FIN 13-10.

### **LEGISLATIVE**

Mr. Wes Peterson distributed a written cover memo and report summarizing the current status of legislation relative to IFA. He provided additional information on the various pieces of legislation.

### **COMMUNICATIONS**

Ms. Jared reported briefly on the proclamation signed by Governor Branstad on April 24, 2013, proclaiming April 21-27, 2013, as Affordable Housing Week in Iowa; the successful open house hosted by IFA on April 26, to celebrate Affordable Housing Week; the upcoming summer homeownership photo contest; home buyer trainings that will be held throughout the state, paid for with money received by the Iowa Association of REALTORS® through a grant from the National Association of REALTORS®; and the HousingIowa Conference scheduled for September 4-5, 2013, at the Coralville Marriott.

Ms. Jared also reported that the new IFA web site went live on April 29, 2013, and that IFA staff members are working with the staff of the Iowa Agricultural Development Authority to prepare for the National Council of State Agricultural Finance Programs conference that will be hosted in Des Moines in August 2013.

Chair Baum thanked Ms. Jared for the statewide marketing that is being done for IFA's programs.

## **Community Development**

### **Resolution ED 12-29B, Younkers Building Project**

Ms. Beary introduced the resolution authorizing the issuance of an amount not to exceed \$27,500,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for the Younkers Building in Des Moines. She stated that the bonds will be used to renovate the old Younkers department store building into 120 affordable housing units, with commercial and office space being financed with other funding sources. Ms. Beary said the project has an allocation of Private Activity Bond Cap and will use 4 percent Low-Income Housing Tax Credits (LIHTCs). She reported that the Board approved the inducement resolution on December 5, 2012, and the public hearing was held at 8:30 a.m. on May 1, 2013.

**MOTION:** Ms. Randleman made a motion to adopt the resolution authorizing the issuance of not to exceed \$27,500,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds (Younkers Building Project), in one or more series, for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of a project; authorizing the execution and delivery of certain

financing documents pertaining to the project; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; authorizing the appointment of a trustee; and related matters. On a second by Ms. Brown, the Board unanimously approved Resolution ED 12-29B.

**Resolution ED 01-13B-1, Fore Windsor Pointe Project**

Ms. Beary introduced the resolution amending the Tax Regulatory Agreement for the Fore Windsor Pointe Project in Ames. She explained that IFA issued \$8,850,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for the project in 2002, and that the borrower intends to redeem the bonds with a new mortgage loan. Ms. Beary noted that because there are still compliance requirements under the Tax Regulatory Agreement, the resolution allows for the necessary amendments to the Tax Regulatory Agreement to reflect the new mortgage loan and lender.

**MOTION:** Mr. Nelson made a motion to approve the resolution amending Resolution ED 01-13B regarding not to exceed \$8,850,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds (Fore Windsor Pointe Project), Series 2002. On a second by Mr. Greenspon, the Board unanimously approved Resolution ED 01-13B-1.

**Resolution ED 364G & ED 462G, Village Court Associates Project**

Ms. Beary introduced the resolution amending the documents related to bonds issued in 1985 for the Village Court Associates Project. She explained that the original borrower is selling the property to Sierra Pointe, LLC, who will assume the obligations of the original borrower under the bond documents. Ms. Beary noted that this amendment allows IFA to enter into an Assignment, Assumption and Omnibus Amendment Agreement to amend the Loan Agreement, Indenture and any other documents necessary to allow for the transaction.

**MOTION:** Mr. Greenspon made a motion to approve the resolution authorizing the execution of Assignment, Assumption and Omnibus Amendment amending the Amended and Restated Indenture of Trust and the Amended and Restated Loan Agreement relating to IFA's \$22,000,000 Small Business Development Multifamily Housing Revenue Bonds (Village Court Associates Project), Series 1985. On a second by Mr. Peterson, the Board unanimously approved Resolution ED 364G & ED 462G.

**HousingIowa**

**Resolution HI 13-11, HOME Award**

Mr. Floyd distributed a letter of explanation and introduced the resolution allocating HOME funds to the Iowa Community Action Association under the Tenant-Based Rental Assistance (TBRA) subrecipient program. He explained that the proposed TBRA program is designed to assist 142 families throughout the state with security deposits, utility deposits, and ongoing monthly rental assistance for up to one year. He said the average amount of assistance per household per year is \$6,000 in rental assistance, \$542 in security deposit assistance, and \$500 in utility deposit assistance.

Mr. Floyd then briefly described the work of the Iowa Community Action Association, stating that Iowa's 18 Community Action Associations (CAAs), in partnership with the Iowa Community Action Association and the Division of Community Action Agencies, are committed to helping low-income Iowans change their lives by breaking the cycle of poverty and removing the barriers to achieve self-sufficiency.

Mr. Nelson referred to the conflict of interest letter he submitted in March, and said he would abstain from voting on this resolution because his employer has a business relationship with a number of municipalities and some non-profit corporations that could be viewed as a conflict of interest.

**MOTION:** Mr. Greenspon made a motion to approve the resolution awarding 2013 HOME Program funds to the project listed on Exhibit A of the resolution. On a second by Mr. Heil, a vote was taken with the following results: **YES:** Brown, Greenspon, Heil, Johnson, Magalhães, Peterson, Randleman and Baum; **NO:** None; **ABSTAIN:** Nelson [see attached letter]. The Board approved Resolution HI 13-11 on a majority vote.

### **Title Guaranty Division (TGD)**

Ms. Huser reported that the TGD Board plans to elect a new Chair at its June 4, 2013, Board meeting. She also reported briefly on future transfers of funds from TGD to IFA's housing programs, the upcoming public hearing for administrative rules, pending and recently approved legislation relative to TGD, and TGD Board action regarding conflict resolution on the part of Ms. Huser in various areas.

### **Miscellaneous Items**

#### **Receive Comments from General Public**

Chair Baum opened the public comment period and asked if anyone in the audience would like to address the Board.

There being no audience members wishing to address the Board, Chair Baum closed the public comment period.

### **Adjournment**

There being no further business, on a motion by Mr. Greenspon and a second by Ms. Randleman, the May 1, 2013, regular monthly meeting of the IFA Board of Directors adjourned at 12:10 p.m.

Dated this 5<sup>th</sup> day of June 2013.

Respectfully submitted:

Approved as to form:

David D. Jamison  
Executive Director/Board Secretary  
Iowa Finance Authority

Darlys J. Baum, Chair  
Iowa Finance Authority